

Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 CIAE-00 DODE-00

PM-03 INR-05 PRS-01 SP-02 L-01 SAB-01 H-01 SSO-00

INRE-00 CU-02 (ISO) W

----- 003811

O R 102000Z JUL 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 4456

INFO GOV PANCANAL

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 4115

LIMDIS

E.O. 11652: GDS

TAGS: PN, PFOR

SUBJECT: CANAL TREATY NEGOTIATIONS: COMMENTS ON TORRIJOS MEETING
WITH STUDENTS

REF: PANAMA 4089

SUMMARY: TORRIJOS' MEETING WITH STUDENTS JULY 9 WAS HELD
WITHOUT GOP OFFICIALS REVEALING DAMAGING DETAILS OF NEGOTIATIONS
DESPITE EARLIER DECISION TO DO SO AND PRESS COMMUNIQUE INDICA-
TING THAT SECRECY IN NEGOTIATIONS WAS OVER. IN COMMUNIQUE,
U.S. WAS CHARGED WITH HAVING BREACHED SECRECY AGREEMENT BY
INFORMING CONGRESSMEN, MILITARYMEN AND CANAL ZONE RESIDENTS
OF NEGOTIATING DETAILS. GOP OFFICIALS REPORTEDLY TOLD STUDENTS
THAT PROGRESS HAD BEEN MADE ON JURISDICTION, BUT THAT PANAMA'S
DEMANDS HAD NOT BEEN MET BY FAR AND IMPASSE HAD BEEN REACHED
ON LANDS AND WATERS ISSUE. OFFICIAL COMMUNIQUE MADE NO
MENTION OF DURATION, SAID U.S. BASES DO NOT REALLY
PROTECT CANAL BUT ARE THREAT TO PANAMANIAN PEOPLE, AND
INDICATED THAT GAINING SOVEREIGNTY AND JURISDICTION OVER
CANAL ZONE, NOT ECONOMIC BENEFITS, WAS PANAMA'S PRINCIPAL
GOAL. PARTICIPANT IN MEETING HAS TOLD US THAT GOP
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OFFICIALS DID NOT GO MUCH BEYOND OFFICIAL COMMUNIQUE IN GIVING

STUDENTS DETAILS OF NEGOTIATIONS. AGAIN TORRIJOS HAS DEMONSTRATED CONTROL AND MODERATION IN DEALING WITH EXPLOSIVE SITUATION. ORIGINAL DECISION REPORTEDLY HAD BEEN TO EXPOSE NEGOTIATING POSITIONS. BUT AFTER EMBASSY REPRESENTATIONS THROUGH VARIOUS MODERATE PANAMANIAN, DECISION WAS REVERSED. TORRIJOS HAS DONE SO, HOWEVER, AT SOME COST. HE HAD BEEN UNDER ATTACK BY EXTREMISTS FOR PLACING TRUST IN U.S. AND IN NEGOTIATIONS. MOREOVER, MODERATES WHO HELPED US ON THIS HAVE DRAWN HEAVILY ON THEIR CREDIBILITY. WE HAVE BOUGHT SOME TIME--A LIMITED AMOUNT--AND NOW MUST USE IT INTELLIGENTLY TO RESTORE TORRIJOS' FAITH IN THE NEGOTIATIONS AND KEEP THE PANAMANIAN ON A MODERATE COURSE. END SUMMARY

1. PRESS TREATMENT OF ALL-DAY SESSION AT FORT CIMARRON BETWEEN TORRIJOS, NATIONAL GUARD GENERAL STAFF, PANAMA'S TREATY NEGOTIATING TEAM, MINISTER OF PLANNING AND ECONOMIC POLICY BARLETTA AND ABOUT 100 LEADERS OF VARIOUS STUDENT ORGANIZATIONS HAS CENTERED ON FIVE-POINT COMMUNIQUE ISSUED BY NATIONAL GUARD (SEE FBIS PANAMA 1000532Z DVUL 75 FOR EXACT TEXT). REFTEL REPORTED TEXT OF LA ESTRELLA'S STORY.

2. ALTHOUGH THE COMMUNIQUE DECLARED THE NEGOTIATIONS WERE NOW "OPEN" AND CHARGED USG HAD BROKEN CONFIDENTIALITY OF NEGOTIATIONS, IT REVEALED NO SPECIFIC INFORMATION CONCERNING NEGOTIATING POSITIONS WHICH HAD NOT PREVIOUSLY BEEN PUBLISHED. IT MERELY SAID PANAMA HAD MADE GAINS ON "TERMS OR PERIODS FOR RECOVERY OF TOTAL CONTROL OF THE CANAL ZONE." (I.E. JURISDICTION) BUT "ITS DEMANDS ARE NOT MET BY FAR." IT ALSO STATED "SOME IMPASSES" EXIST DUE TO THE PANAMANIAN POSITION ON LANDS AND WATERS, BECAUSE THE UNITED STATES PERSISTS IN WANTING TO KEEP PORTIONS OF "LAND, ISLANDS, DOCKS AND INSTALLATIONS WHICH ARE CLEARLY NOT REQUIRED FOR THE NORMAL FUNCTIONING OF THE CANAL OR FOR ITS DEFENSE OR MAINTENANCE."

3. OTHER KEY POINTS WERE THAT: CANAL OPERATION WAS SIMPLE, TECHNOLOGY OF NATIONAL UNIVERSITY HAD ADVANCED BEYOND 1903 AND PANAMANIAN, THEREFORE, COULD OPERATE CANAL; CONFIDENTIAL

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U.S. MILITARY BASES DO NOT DEFEND THE CANAL, ARE THREAT AIMED DIRECTLY AT PANAMANIAN PEOPLE AND THAT BEST PROTECTION WAS POLICY OF KEEPING CANAL OPEN 365 DAYS A YEAR TO SHIPS OF ALL FLAGS, A SYSTEM THAT WOULD VARY "ONLY IN CASE OF WAR"; AND DESPITE MANY ECONOMICS BENEFITS PANAMA EXPECTS FROM EXPLOITATION OF CANAL AS A BASIC NATURAL RESOURCE, "PRINCIPAL PRIORITY FOR PANAMA IS TO HAVE SOVEREIGNTY AND JURISDICTION OVER ITS ENTIRE TERRITORY."

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 CIAE-00 DODE-00

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O R 102000Z JUL 75

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TO SECSTATE WASHDC IMMEDIATE 4457

INFO GOV PANCANAL

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C O N F I D E N T I A L SECTION 2 OF 2 PANAMA 4115

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4. A PARTICIPANT IN THE SESSION TOLD AMBASSADOR THAT IN SESSIONS WITH STUDENTS, TORRIJOS AND OTHERS DID NOT GO INTO NEGOTIATING POSITIONS IN DETAIL. STUDENTS RESPONDING TO GOP PRESENTATION CRITICIZED USG, CANAL ZONE RESIDENTS AND MILITARY BASES--OFTEN IN EXTREME LANGUAGE.

5. OVER THE WEEKEND AND DURING FIRST DAYS OF THIS WEEK TRULY EXPLOSIVE SITUATION EXISTED. SOURCES CLOSE TO TORRIJOS TOLD US THAT HE HAD BECOME CONVINCED THAT A GAP HAD DEVELOPED BETWEEN SECRETARY KISSINGER AND PRESIDENT FORD WITH LATTER'S DOMESTIC POLITICAL ADVISERS BEING DOMINANT. TORRIJOS, ALREADY UNDER CRITICISM FROM EXTREMISTS AND OPPONENTS FOR HAVING "NAIVELY" HAD FAITH IN NEGOTIATIONS AND IN US LEADERS, WAS BEING SUBJECTED TO ATTACK WITH EVEN SOME OF HIS ADVISERS SAYING "I TOLD YOU SO." HE HAD AVOIDED STUDENT DEMONSTRATIONS ON JULY 4 BY PROMISING STUDENTS HE WOULD MEET WITH THEM THIS WEEK. INITIAL DECISION, CONVEYED TO ME BY AMBASSADOR GONZALEZ-REVILLA, WAS TO GIVE STUDENTS FULL DETAILS OF NEGOTIATIONS. OTHER EMBASSY SOURCES CONFIRMED THIS WAS BASED UPON BELIEF THAT NEGOTIATIONS HAD REACHED IMPASSE. DURING EVENING OF JULY 8

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WHILE GOP STRATEGY MEETING WAS UNDERWAY WE CALLED NUMBER OF KEY PERSONS TO CONVEY OUR VIEW THAT FULL DISCLOSURE OF NEGOTIATING POSITIONS WOULD UNDERMINE ANY EFFORTS IN U.S. TO REVISE POSTURE AND WOULD TEND TO SET APPROACH OF BOTH SIDES IN CONCRETE. WHILE ONE COULD NOT PRECISELY PREDICT REACTION TO PANAMANIAN DISCLOSURE, WE FEARED IT WOULD BE DISASTROUS FOR THE NEGOTIATIONS. USING THESE ARGUMENTS WE OBTAINED ASSISTANCE OF SEVERAL PANAMANIAN, INCLUDING GONZALEZ-REVILLA, WHO ARGUED WITH TORRIJOS THAT U.S. OFFICIALS SHOULD BE GIVEN MORE TIME. HE AND THE STRATEGY GROUP THEN DECIDED TO LIMIT THE INFORMATION PROVIDED TO THE STUDENTS AND THE PUBLIC.

6. GIVEN THE TREMENDOUS PRESSURES ON TORRIJOS AT THIS TIME HIS HANDLING OF THIS AFFAIR HAS SHOWN GREAT RESTRAINT BUT AT SOME ADDITIONAL COST TO HIM. HIS MODERATE ADVISERS, WHO IN THIS CASE WERE OUR COLLABORATORS, HAVE ALSO EXPOSED THEMSELVES. IF THE UNITED STATES GOVERNMENT DOES NOT RESPOND WITH SOME CLEAR SIGNALS THAT IT IS READY TO MOVE AHEAD IN THE NEGOTIATIONS, OUR FRIENDS HERE WILL BE SERIOUSLY WEAKENED. FOR THE U.S. TO UNDERESTIMATE THE CURRENT DANGER OF A CONFRONTATION WOULD BE A SERIOUS AND DAMAGING ERROR.

7. WHAT IS NEEDED IS A DECISION TO PROCEED WITH THE NEGOTIATIONS VERY SOON. OTHER POSITIVE SIGNS OF SUPPORT FROM US, SUCH AS A CABLE FROM GEORGE MEANY TO TORRIJOS EXPRESSING GENERAL SUPPORT FOR THE IDEA OF A NEW TREATY WOULD GREATLY HELP THE USG'S EFFORTS TO MANAGE THE SITUATION. TORRIJOS IS AGAIN USING UP POLITICAL CREDIT BY TAKING A MODERATE COURSE BUT HE NEEDS EVIDENCE THAT MODERATION IS MORE EFFECTIVE THAN INTRANSIGENCE AND CONFRONTATION.

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